

2005 White House Conference on Aging Solutions Forum  
Joint Conference of the American Society on Aging  
and The National Council on the Aging  
Philadelphia, PA  
Saturday, March 12, 2005

Good morning, my name is Dr. Sandra Timmermann. I am here wearing two hats—the first in my volunteer role as the Chair of Business Forum on Aging, the American Society on Aging’s network of businesses and others who design and market products and services to the 50+ population, and the second in my position as Director of the MetLife Mature Market Institute, which is MetLife’s focal point on aging, retirement, long-term care and the mature market.

The 50+ population—the present and future clients of those who work in the aging network—are touched everyday by business. They may be employed by business, they may be retirees, and they definitely are consumers. They interact daily with all kinds of businesses—grocery stores, pharmacies, car dealers, department stores where they might buy clothes or gifts for grandchildren, realtors, and financial institutions such as banks and insurance companies. It’s not just the top 10% in income and net worth—the jaguar driving, spa going individuals—who interact with business. It is people of all economic levels who need products and services that are affordable and are produced by ethical and financially sound companies.

Many of us who are or have been in the aging services sector—and I’ll include myself because I came from that world before I moved to a corporate setting eight years ago—have not really considered business a partner. In fact, business has often been viewed with suspicion.

Sometimes the suspicion is justified. When a company raids its pension fund or inflates its stock value and leaves employees and retirees out in the cold, it is simply not acceptable. But these cases are the exception, not the norm—and it is time to bring business to the table, and for business to step up to plate as we craft our future.

I’d like to see the White House Conference on Aging put emphasis on bringing business leaders together with leaders in aging. We can learn from each other and work together to find solutions to some of our nation’s major problems. We are all in this

together. And we have a window of opportunity to come together now to help the baby boomers plan for their financial future, before they reach traditional retirement age when it becomes more difficult. .

Here are three examples of what might be done:

1. In the financial services area, we know that large numbers of employers have shifted from Defined Benefit Plans—the steady pension that our parents and grandparents counted on—to Defined Contribution Plans such as 401(k)s. This has placed the responsibility for savings and investing on the shoulders of the individual employee, many of whom have little or no experience in money management. This is happening while individual savings rates are also decreasing. These employees of today are the future clients of the aging services sector.

What can we do to help them now? One solution is to ease restrictions on employers so they can offer more education and financial advice to their employees, perhaps utilizing financial services professionals who can go to the worksite to meet people where they work. Another would be to educate boomers about their longevity risk once they retire and the value of annuities to provide them with a steady stream of lifetime income. Income annuities—similar in concept to defined benefit pensions—provide income for life and should be considered as an important component of a financial plan.

2. As another example, we know there are many misconceptions among American workers about long-term care and how it is financed—many think that long-term care is an entitlement covered under Medicare. We also know that state budgets are being stretched to the limit, due in no small part to increasing expenditures for Medicaid, which pays for long-term care for thousands of individuals who are of low income or who have spent down their assets and must rely on the government for care. .

One way to increase people's knowledge about long-term care and to encourage people to plan ahead is to expand the Long-Term Care Awareness Campaign, a pilot project of the Office of the Assistant Secretary for Planning and Evaluation of the US Department of Health and Human Services and the Centers for Medicare and Medicaid. The project, which is now taking place in five states,

was launched by the governors of these states so that people could learn more about long-term care—what it is, how it is delivered, and who pays for it—and understand how to plan for it. This should be a national program.

Long-term care insurance is an important option for individuals as they plan for future care needs. In particular, the Partnership Program, a public-private LTCI program, now in just a handful of states, has demonstrated its value and should be expanded nationally.

3. The majority of baby boomers who are caregivers for their aging parents or other family members are employed. It is difficult for many of them to juggle work and caregiving responsibilities. We heard this morning that many of the technological innovations that could help caregivers are initiated from the private sector. These innovations should be encouraged, and supported by the aging network, which could provide opportunities to research and test the products through focus groups and other means. We also need to make sure that there are incentives like the Family Medical Leave Act so caregivers can remain in the workforce, continue to provide quality care, and keep their loved ones at home as long as possible.

In sum, the time is right to get business involved in these discussions, especially as we look to the retirement of the “tweeners”-- those who are potentially financially vulnerable and who, with some incentives and some help with planning, could be assured of a secure financial future rather than facing the possibility of relying only on government assistance to make ends meet. These discussions should happen not only at the White House Conference on Aging itself, but also locally. My vision is the establishment of Business and Aging Planning Groups in cities and states throughout the country to plan for the aging of the boomers and to address the needs of the current older population. These alliances would result in a win-win situation both for businesses, large and small, and for our older citizens.

Thank you.

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